

Congress of the United States
Washington, DC 20515

September 4, 2007

**Reduce Health Care Costs for Small Businesses and Promote
Entrepreneurship**

Cosponsor the Equity for Our Nation's Self-Employed Act

Dear Colleague:

The cost of health insurance is a significant concern for all employers. The self-employed and many other small businesses, however, have been particularly hard hit by these expenses due to a disparity in the Internal Revenue Code. To correct this unequal tax treatment, we are introducing the *Equity for Our Nation's Self-Employed Act*, a bill that will help self-employed individuals across the country afford quality health coverage.

Under current tax law, corporations are able to deduct the cost of health insurance premiums as a business expense and to forego payroll (FICA) taxes on these costs. The self-employed, however, are unable to take the same deduction. As a result, they pay an additional 15.3 percent tax on their health insurance premiums. **The self-employed are the only segment of the business population that pays this extra tax on health insurance.**

This is a heavy burden for this group of small businesses, who already pay an average of \$11,480 annually on health insurance premiums for family coverage. Eliminating this tax would reduce the average cost of health care for the self-employed by more than \$1,700 annually. This is money that could be used toward reinvesting in and growing their business, hiring part-time help, or covering increasing health care costs.

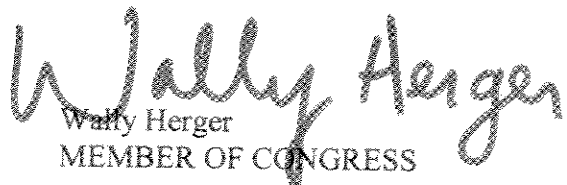
The Equity for Our Nation's Self-Employed Act is supported by a broad coalition, including the National Small Business Association, National Association for the Self-Employed, the American Farm Bureau Federation, and the U.S. Chamber of Commerce.

If you would like to become an original cosponsor of this important legislation, please contact Kate Spaziani in Rep. Kind's office at 5-5506 or Dan MacLean in Rep. Herger's office at 5-3076 no later than Wednesday, September 12th.

Sincerely,



Ron Kind
MEMBER OF CONGRESS



Wally Herger
MEMBER OF CONGRESS